

School-Determined Requirements

In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.

REGULAR STUDENT IN AN ELIGIBLE PROGRAM

A person must be enrolled as a *regular student* in an eligible program in order to receive FSA funds (some exceptions are discussed later). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The definition of an eligible program is discussed in detail in the *School Eligibility and Operations* volume of the Handbook.

A school is only required to document a student's enrollment in an eligible program at the time of admission. However, your school must have a system to notify the financial aid office should the student leave the program at any time during the course of enrollment. You must also document that an aid recipient is a regular student.

▼ *Conditional acceptance.* Some schools admit students under a conditional or provisional acceptance. For example, a student might be conditionally accepted until he provides further documentation, such as academic transcripts or test scores, or demonstrates an ability to succeed in the program (by receiving acceptable grades in program coursework). Typically the school will limit the student's enrollment, in terms of number of courses or enrollment status, until the student meets the necessary conditions.

Students admitted as conditional are regular students only if they are officially accepted into the eligible degree program, as determined by the school's admission policies. The Department does not define the meaning of official acceptance or admission. If the student is merely allowed to take some courses before being officially admitted to the program, she is not considered to be a regular student and is not eligible until she is officially admitted.

▼ *Continuing education.* Students who enroll in courses in a school's continuing education department without being admitted into an eligible degree or certificate program are not regular students and are not eligible for FSA funds. However, if a student has been

Basic student eligibility issues:

- ➔ must be enrolled as a regular student in an eligible program
 - ➔ elementary/secondary enrollment precluded
 - ➔ must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been home-schooled
 - ➔ must make satisfactory progress
 - ➔ must meet enrollment status requirements
 - ➔ must have resolved any drug conviction issue
- 34 CFR 668.32

Regular student citations and example

HEA Sec. 484(a)(1), (b)(3), (4);
34 CFR 668.32(a)(1)

Lem Community College allows anyone with a high school diploma or the equivalent to enroll in any course. Many of LCC's students do not intend to receive a degree or certificate. LCC requires students who want to receive a degree or certificate to complete a form stating which degree or certificate they are studying for and to meet regularly with an academic advisor. LCC considers them to be regular students, while others in the same classes are not regular students.

Conditional acceptance examples

Example 1. Guerrero University allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students and aren't eligible for FSA funds.

Example 2. Park University accepts students into its graduate programs on the condition that the students receive no grade lower than a "B" in the first three courses in their program. During this time, Park University considers these students to be admitted into the graduate programs, so they are eligible for FSA funds. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn, and they then will be ineligible for FSA funds.

Continuing education examples

Example 1. Park University has a continuing education department that offers many on-line (telecommunications) courses that students in other departments of the school may take and that apply to the degree or certificate program the students are enrolled in. These are regular students who are eligible for FSA funds.

Example 2. Guerrero University has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. They are not regular students and are not eligible for FSA funds.

Remedial coursework

34 CFR 668.20

admitted into an eligible degree or certificate program and then enrolls in courses in the continuing education department that apply to his degree or certificate program, he would be a regular student and eligible for FSA funds.

Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level (cf. preparatory coursework, which prepares a student for a given program), and a student enrolled solely in a remedial program is not considered to be in an eligible program. If the student's acceptance into an eligible program is contingent on completing remedial work, she cannot be considered enrolled in the eligible program until she completes the remedial work.

You can't count noncredit remedial hours in the student's enrollment if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for GED training or for coursework prior to the completion of high school, even if the GED or high school training is offered at postsecondary schools or is required for the postsecondary program.

If the student is admitted into an eligible program and takes remedial coursework within that program, the student can be considered a regular student. In addition, you may count a limited amount of the remedial coursework in the student's enrollment status for financial aid purposes. The remedial coursework must be at least at the high-school level, as determined by the state legal authority, your school's accrediting agency, or the state agency recognized for approving public postsecondary vocational education.

A student may receive federal aid for up to one academic year's worth of remedial coursework. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. ESL courses don't count against these limits. If the remedial coursework is noncredit or reduced-credit, you must determine how many credit hours the coursework is worth to count it in the student's enrollment (see "Enrollment Status" on p. 9).

Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Stafford and PLUS loans for up to one year if she is taking coursework necessary for enrollment in an eligible program. See the discussion under Stafford and PLUS loans on p. 69.

Teacher certification coursework

A student may receive Federal Work Study and Stafford, Perkins, and PLUS loans if he is enrolled at least half time in a required teacher certification program, even though it does not lead to a degree or certificate awarded by the school. To qualify, the program must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach or in the state where the student is completing the program. Optional courses

that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

For Stafford loans, such students may borrow at the fifth-year undergraduate loan level, and the loan limit is not prorated if the program is less than an academic year. For Perkins loans, a school establishes in its policy whether a student enrolled in a teacher certification program is an undergraduate or graduate student. That will then determine which Perkins loan limits apply; refer to the Handbook volume on packaging and originating aid.

A student with a bachelor's degree who is enrolled in a postbaccalaureate teacher certification program can also receive a Pell grant in certain limited situations. See p. 68.

ELEMENTARY OR SECONDARY ENROLLMENT

A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs, even if she is simultaneously enrolled in an eligible postsecondary program. A student is considered to be enrolled in a secondary school if she is pursuing a high school diploma. A student who has completed the diploma requirements but has not yet received a diploma is still considered to be enrolled in secondary school if she is taking postsecondary coursework for which the high school gives credit. A student who has completed but not received a diploma is also considered to be enrolled in secondary school if the high school granting the diploma still considers the student to be enrolled at that high school.

An adult pursuing a GED (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student cannot get aid for the GED training, though he can receive aid for college coursework if he meets ability-to-benefit, home-school, or high school equivalent requirements. An adult can take courses at a high school without being considered enrolled there.

ACADEMIC QUALIFICATIONS

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if she:

- has a high school diploma;
- has the recognized equivalent of a high school diploma, typically a general education development or GED certificate;
- has completed home schooling; or
- has passed a Department-approved ability-to-benefit test.

Elementary/secondary enrollment

HEA Sec. 484(a)(1), 34 CFR 668.32(b)

Secondary school enrollment examples

Lida is a junior in high school. She enrolls in an electronics technician program at Lem Community College; the coursework is offered evenings and weekends, so she can still attend her high school classes. The electronics technician program is an eligible postsecondary program, and Lida will receive a certificate from Lem when she completes the program. However, she is not eligible for aid because she is still enrolled in high school.

Owen, a regular student at Guerrero University, decides to take a driver's education course at the local high school during the summer. This does not mean he is enrolled in secondary school.

Academic qualifications

HEA Sec. 484(d), 34 CFR 668.32(e)

Recognized equivalent of a high school diploma

34 CFR 600.2

A student may self-certify that he has received a high school diploma or GED or that he has completed secondary school through home schooling as defined by state law. If a student indicates on the FAFSA that he has a diploma or GED, your school isn't required to ask for a copy of the diploma or GED. Because the current FAFSA doesn't contain a self-certification for home schoolers, such students may certify that in writing to your school, for example, on an admissions application.

Equivalents to a high school diploma

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

Home schooling

Though home-schooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a home school that state law treats as a home or private school. Some states issue a secondary school completion credential to home-schoolers. If this is the case in the state where the student was home-schooled, she must obtain this credential in order to be eligible for FSA funds. Her self-certification that she was home-schooled (see above) can include that she received this state credential.

Some students finish their home schooling at an age younger than the age of compulsory school attendance in their state or in the state where your school is. Another part of the federal law defines an eligible *institution* as one that admits as regular students only persons who have a high school diploma or equivalent or persons beyond the compulsory attendance age for the institution's state. The Department considers a home-schooled student to be beyond the age of compulsory attendance if your school's state would not require the student to further attend secondary school or continue to be home-schooled. See also volume 2 on institutional eligibility.

Diploma equivalent example

Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, Brandt decides she didn't excel academically and so doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program, and would be eligible for FSA funds for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test if she wants to receive FSA funds.

Citations

Ability to benefit:

Subpart J of Part 668

Home-schooled students:

HEA Sec. 484(d)(3),

34 CFR 668.32(e)(4)

Ability-To-Benefit (ATB) test

If the student doesn't have a high school diploma or equivalent and was not home-schooled, she can still qualify for aid by passing a Department-approved "ability-to-benefit" test. You don't have to use the same test for all students; you can pick the one most suitable for each student. The May 11, 2004 *Federal Register* contains the most recent list of approved tests, from which the Test of Adult Basic Education (TABE) was removed, though schools may continue to use it through September 8, 2004.

▼ ***Arranging for ATB tests.*** The regulations also specify testing procedures that your school must follow. You must make arrangements with one or more test administrators, who must be certified by the test publisher. You should contact the test publisher to locate a certified test administrator. Certified test administrators may include high school guidance counselors, test and measurement experts, human resource development professionals, qualified professional educators, or regional Armed Forces Command staff who are experts in education, training, and human resource development.

▼ ***Ensuring independent testing.*** To be independently administered, a test must be given by an individual or by an organization with no current or prior financial or ownership interest in the school, its affiliates, or its parent corporation other than the interest generated through its agreement to administer the approved test. The test can't be given by a current or former employee, consultant, or student of the school, an owner or member of the board of directors, a person with a financial interest in the school, or a relative of any of these individuals. In addition, the test administrator cannot score the test, but must submit it to the publisher for scoring.

A test is also independently administered if it is given at an assessment center. An assessment center must be located at an eligible degree-granting school or public vocational institution, and must be responsible for evaluating students for multiple purposes, such as course placement. It must not have administering ATB tests as its primary purpose. The assessment center must be staffed by professionally trained personnel and be independent of the admissions and financial aid processes. An assessment center may score students' tests unless its agreement with the test publisher prohibits it.

To be acceptable for FSA purposes, an approved test must be independently administered in accordance with the procedures specified by the test publisher—such as time limits for completion, rules on how often and within what time frame the test may be readministered, whether the test may be given verbally, and so forth. If a test comprises multiple parts, all **relevant** parts, as listed in the approval notice, must be administered in order for the test to be valid. The approval notice published by the Department will show either the approved score for each subpart or an approved composite score.

Factors for Test Selection

When selecting a test, the school should consider the following:

- **Relevance of the test to the educational program.** Are the skills and abilities assessed important for successful completion of the program of study?
- **Level of difficulty of the test.** Is the overall level of difficulty appropriate to the population of prospective students being assessed and to the coursework required in the program?
- **Native language.** If the student's program will be taught in a language other than English, the student should be permitted to take the test in the language of the program. (See "Special needs.")
- **Tests for students with physical disabilities.** Students with physical disabilities should receive appropriate assistance in test taking, in accordance with the guidelines developed by the American Educational Research Association, the American Psychological Association, and the National Council of Measurement in Education.

Test approval

The Department evaluates submitted tests according to guidelines published in regulations. To apply for approval, the test publisher must submit its test and documentation specified in the regulations. After reviewing the application, the Department will notify the test publisher of approval or disapproval. If a test is approved, the Department will publish in the Federal Register the name of the test and the test publisher and the passing score required for students taking the test.

The Department will also review all state tests or assessments that are submitted for approval. If a state test meets the criteria for approval, both public and private schools in that state may use the test. At this time, no such tests have been submitted for approval.

▼ *Testing non-native English speakers.* The General Provisions regulations specify when special tests can be used for students who are not native speakers of English. The CELSA test can be used for students who are enrolled solely in an ESL program or for students who are enrolled in a program that is taught in English and that has an ESL component in which the student is also enrolled (see the January 12, 2001 *Federal Register* for more on CELSA).

As an alternative, you may determine whether these students have the ability to benefit from your program by using the guidelines in the December 30, 1992 *Federal Register* and by using tests approved as of June 30, 1996.

▼ *Testing disabled students.* For students with disabilities, the Department adopted the use of the currently approved ability-to-benefit tests and passing scores (see the May 5, 1999 *Federal Register*) as long as those tests are given in a manner consistent with requirements of Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. These requirements include giving the test in a manner that is accessible to disabled students and offering additional services such as a longer exam time for students with learning disabilities and Braille or large-print exams for visually impaired students. If your school can't give any of the approved ability-to-benefit tests in an accessible manner, it must use an alternate test as explained in the regulations (34 CFR 668.149).

▼ *Counting previous test results.* A student who has taken an approved, independently-administered test must have the test publisher or the assessment center submit the official score to the school to demonstrate the student's ability to benefit. If you accept the results of a previously administered test, you must obtain documentation (usually through the previous school) that the test and its administration met federal requirements. A student no longer needs to take the ATB test within twelve months before the receipt of aid.

Satisfactory Academic Progress

HEA Sec. 484(c),
34 CFR 668.16(e)
34 CFR 668.32(f)
34 CFR 668.34

SATISFACTORY ACADEMIC PROGRESS (SAP)

To be eligible for aid a student must make satisfactory academic progress, which you must check at least once per year. To be considered administratively capable, your school must establish and publish an SAP policy and apply it equally to all FSA programs and to all FSA recipients within identifiable categories of students (such as full- or part-time, graduate or undergraduate). The policy must be at least as strict as that used for students who do not receive aid. It may contain whatever standards your school finds acceptable, including those set by a state, accrediting agency, or some other organization, as long as those standards meet the minimum statutory and regulatory requirements. These requirements include both a qualitative measure of the student's progress, such as a cumulative grade point average, and a quantitative measure, such as a maximum time frame for completion. See the *School Eligibility and Operations* volume for more information on a school's SAP policy.

Approved Ability-to-Benefit Tests | Publishers

ASSET Program: Basic Skills Tests (Reading, Writing, and Numerical)—Forms B2, C2, D2, and E2
Passing Score: Reading (35), Writing (35), and Numerical (33)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Career Programs Assessment (CPAT) Basic Skills Subtests (Language Usage, Reading and Numerical)—Forms B and C
Passing Score: Language Usage (42), Reading (43), and Numerical (41)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Combined English Language Skills Assessment (CELSA): Forms 1 and 2
Passing Score: CELSA Form 1 (90) and CELSA Form 2 (90)

Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, PMB 378, Montecito, California 93108-2794, Contact: Pablo Buckelew, Telephone: (805) 569-0734, Fax: (805) 569-0004

COMPASS Subtests: Prealgebra/Numerical Skills Placement, Reading Placement, and Writing Placement
Passing Score: Prealgebra/Numerical (25), Reading (62), and Writing (32)

American College Testing (ACT), Placement Assessment Programs, 2201 North Dodge Street, P.O. Box 168, Iowa City, Iowa 52243, Contact: Dr. John D. Roth, Telephone: (319) 337-1030, Fax: (319) 337-1790

Computerized Placement Tests (CPTs)/Accuplacer (Reading Comprehension, Sentence Skills, and Arithmetic)
Passing Score: Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Suzanne Murphy, Telephone: (405) 842-9891, Fax: (405) 842-9894

Descriptive Tests of Language Skills (DTLS) (Reading Comprehension, Sentence Structure and Conventions of Written English)—Forms M-K-3KDT and M-K-3LDT; and Descriptive Tests of Mathematical Skills (DTMS) (Arithmetic)—Forms M-K-3KDT and M-K-3LDT
Passing Score: Reading Comprehension (108), Sentence Structure (9), Conventions of Written English (309), and Arithmetic (506)

The College Board, 45 Columbus Avenue, New York, New York 10023-6992, Contact: Ms. Suzanne Murphy, Telephone: (405) 842-9891, Fax: (405) 842-9894

Test of Adult Basic Education (TABE, **after 9/8/04 no longer acceptable**): (Reading, Total Mathematics, Language)—Forms 7 and 8, Level A, Complete Battery and Survey Versions
Passing Score: Reading (559), Total Mathematics (562), Language (545)

CTB/McGraw-Hill, 20 Ryan Ranch Road, Monterey, California 93940-5703, Contact: Ms. Veronika Guerrero, Telephone: (831) 393-6416, Fax: (831) 393-7128

Wonderlic Basic Skills Test (WBST)—Verbal Forms VS-1 & VS-2, Quantitative Forms QS-1 & QS-2
Passing Score: Verbal (200) and Quantitative (210)

Wonderlic Personnel Test, Inc., 1795 N. Butterfield Rd., Libertyville, IL 60048, Contact: Mr. Victor S. Artese, Telephone: (800) 323-3742

Academic amnesty/renewal

Some schools have academic amnesty or renewal procedures through which a student can apply to have credits attempted and grades earned in previous semesters excluded from the calculation of the student's grade point average. The FSA program regulations don't provide for such amnesty. In evaluating a student's satisfactory academic progress for financial aid purposes, a school must always include courses that apply (whenever taken) toward his program of study.

The school may consider the circumstances a student uses to support an academic amnesty request as mitigating circumstances in an SAP appeal.

Qualitative standards

The law specifies that by the end of the second academic year (regardless of how many credits the student has accrued), the student must have a C average or its equivalent or have an academic standing consistent with the requirement for graduation from the program. If your school does not use letter grades, it should define the equivalent of a C average.

Having an academic standing consistent with the graduation requirement could mean you use an escalating grade point standard instead of a fixed one. For example, a school using a 4-point scale can require students to have a 2.0 average by graduation but allow their average to be lower earlier in their academic career. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation.

Quantitative standards

To accurately measure a student's progress in a program, more than a qualitative standard is needed. A student who is maintaining a high GPA by withdrawing from every course he attempts after the first year would meet a qualitative standard but wouldn't be progressing towards graduation. Therefore, the SAP policy must also include a quantitative measure to determine the number or percentage of courses, credit hours, or clock hours completed.

To quantify academic progress your school must set a maximum time frame in which a student is expected to finish a program. For an undergraduate program this cannot exceed 150% of the published length of the program measured in academic years or terms, credit hours attempted, or clock hours completed, as determined by your school. For instance, if the published length of an academic program is 120 credit hours, the maximum time frame must not exceed 180 (120 x 1.5) attempted credit hours.

Transfer students, change of program, and other elements

A school's policy must explain how the following affect the SAP determination: withdrawals; grades of "incomplete"; repeated, transfer, and noncredit remedial courses; and appeals due to mitigating circumstances. When a student fails to make SAP, he can regain eligibility by meeting the criteria established in the school's satisfactory progress policy, but he cannot regain eligibility simply by being out of school for a set amount of time or by paying for a set number of classes himself.

Generally the quantitative and qualitative standards used to judge academic progress include all periods of the student's enrollment. Even periods in which the student did not receive FSA funds should be counted. However, a school may allow a student who switches degree programs to not count for SAP those grades earned and credits attempted in the old major, though minimally any courses that apply to the new program **must** be counted. Similarly, for transfer students a school must at least count those transfer credits

that apply toward the current program (though the school may count all credits from the previous school).

A school's policy can state that a student who has completed all the coursework for her degree or certificate but hasn't yet received the degree or certificate can't receive further aid for that program. This restriction can't simply be a limit on the number of hours completed (for instance, that the student isn't eligible once she has completed 120 semester hours for a program that requires 120 semester hours). The student must have actually completed the academic requirements for the degree or certificate she is pursuing. Of course, if she enrolls in another program (seeking a different degree or certificate), this restriction would no longer apply, although the student would still have to meet satisfactory progress standards.

ENROLLMENT STATUS

A student must be enrolled at least half time to receive assistance from the Stafford and PLUS loan programs. The Pell and Campus-Based programs don't require half-time enrollment, but the student's enrollment status does affect the amount of Pell a student receives. (Volume 3 explains how enrollment status affects a student's Pell award.)

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. Your school defines a full-time workload, but it must meet the minimum standards in the FSA regulations. The definition of full time used for FSA purposes (below) can differ from the definition used for other purposes at your school, such as the definition used by the registrar's office.

Your definition of a full-time workload for a program must be used for all students enrolled in that program and must be the same definition for all FSA-related purposes, including loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing the student a full-time enrollment status lower than the minimum standard.

▼ *Minimum standards for full-time enrollment.* You may include any combination of courses, work, research, or special studies in your school's definition of workload. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program of less than one academic year;

Repeat/Delete

If a school has a written policy that allows only the highest or most recent grade to be counted or both credits and grades from previous attempts to be deleted, it may exclude a grade for a prior attempt when considering the qualitative SAP standard, but it must count the credits attempted when considering the quantitative SAP standard.

Full-time student definition

34 CFR 668.2

Half-time enrollment

HEA Sec. 428(b)(1)(A),

34 CFR 668.32(a)(2), 682.200

Example: mixed credits enrollment

Stanislaw is enrolled in a program at Lem Community College. In the first term, Stanislaw is taking six semester hours and three quarter hours and is also taking nine clock hours a week. To determine if Stanislaw is enrolled full time, Lem divides the amount of each type of hour by the minimum requirement for full time, and then adds the fractions:

$$6/12 + 3/12 + 9/24 = .5 + .25 + .375 = 1.125$$

Because the result is greater than one, Stanislaw is enrolled full time.

Counting noncredit or reduced-credit remedial work

A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program.

34 CFR 668.20

Drug convictions

HEA Section 484(r)
34 CFR 668.40

- 24 clock hours per week for an educational program using clock hours;
- for a student who is taking a combination of courses offered using different types of hours, prorated percentages of the minimums for credit- and clock-hour measurements that total at least one (see margin example);
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks; or
- the work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student.

You must decide if the work portion of a co-op program is equivalent to a full-time academic workload. If it is equivalent, the co-op student is considered full time, regardless of how many credits your school grants for the co-op work.

A student taking only correspondence courses is never considered to be enrolled more than half time. See volume 3 for more on Pell and enrollment status and correspondence courses.

If a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are noncredit or remedial courses as described in the sidebar. This means you cannot award the student aid he would otherwise not receive for classes that do not count toward his degree or certificate.

STUDENTS CONVICTED OF POSSESSION OR SALE OF DRUGS

A federal or state drug conviction can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible; you're not required to verify this unless you have conflicting information.

A conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when the student was a juvenile, unless she was tried as an adult.

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

	Possession of illegal drugs	Sale of illegal drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period *
3+ offenses	Indefinite period *	

A student regains eligibility the day after the period of ineligibility ends or when he successfully completes a qualified drug rehabilitation program. Further drug convictions will make him ineligible again.

Students denied eligibility for an ***indefinite period** can regain it only after completing a rehabilitation program as described below or if a conviction is reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to you that she has completed the rehabilitation program; as with the conviction question on the FAFSA, you are not required to verify the reported information unless you have conflicting information.

If a student regains eligibility during the award year, it is treated like most other recoveries of eligibility: Pell and campus-based aid may be awarded for the payment period; Direct Loans and FFEL loans may be awarded for the period of enrollment.

Standards for a qualified drug rehabilitation program

A qualified drug rehabilitation program must include at least two unannounced drug tests and must satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program.
- Be qualified to receive payment directly or indirectly from a federally or state-licensed insurance company.
- Be administered or recognized by a federal, state, or local government agency or court.
- Be administered or recognized by a federally or state-licensed hospital, health clinic, or medical doctor.

If you are counseling a student who will need to enter such a program, be sure to advise the student of these requirements. If a student certifies that he or she has completed a drug rehabilitation program, but you have reason to believe that the program does not meet these requirements, you must treat this as conflicting information and resolve the conflict before paying the student any FSA funds.

Drug abuse hold

The Anti-Drug Abuse Act of 1988 includes provisions that authorize federal and state judges to deny certain federal benefits, including student aid, to persons convicted of drug trafficking or possession. The CPS maintains a hold file of those who have received such a judgment, and it checks applicants against that file to determine if they should be denied aid. This is separate from the check for a drug conviction via question 31; confirmation of a student in the drug abuse hold file will produce a rejected application and a separate comment from those associated with responses to question 31. See the ISIR Guide for more information.

Incarcerated students

HEA Sec. 401(b)(8)
HEA Sec. 484(b)(5)
34 CFR 668.32(c)(2)

Conflicting information

34 CFR 668.16(f)

INCARCERATED STUDENTS

A student is considered to be incarcerated if she is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, or similar correctional institution. A student is not considered to be incarcerated if she is in a half-way house or home detention or is sentenced to serve only weekends.

Incarcerated students are not eligible for FSA loans but are eligible for FSEOGs and FWS and are also eligible for Pell grants if not incarcerated in a federal or state penal institution (see chapter 6 for more information).

You may accept the student's written self-certification that he is no longer incarcerated.

CONFLICTING INFORMATION

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as his academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application for federal student aid regardless of the source of that data. Your school is responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

If your school has conflicting information for a student or you have any reason to believe his application information is incorrect, you **must** resolve such discrepancies before disbursing FSA funds. If you discover a discrepancy after disbursing FSA funds, you must reconcile the conflicting information and require the student to repay any aid for which he wasn't eligible, unless he is no longer enrolled for the award year. Refer to the *Application and Verification Guide* and the *School Eligibility and Operations* volume for more information.

CHANGE IN STATUS

In some cases, the student's eligibility status can change during the award year. These changes almost always affect whether the student can be paid. We'll discuss what happens when the student gains eligibility or loses eligibility, along with special rules for changes in satisfactory academic progress status.

Gaining eligibility

In general, when a student gains eligibility, she may receive aid for the entire payment period (for Pell and campus-based funds) or period of enrollment (for Stafford and PLUS loans) in which she became eligible.

The student is eligible for Pell and campus-based aid for the entire award year—not just the payment period—in which he becomes

Gaining eligibility examples

Allen enrolls in a one-year certificate program at Sarven Technical Institute. Sarven won't officially admit Allen before he provides an academic transcript from his previous school, but it admits him conditionally so he can start classes in the fall. Sarven receives Allen's transcript after he's attended for a month and officially admits him. He's still in his first payment period when admitted and so can receive Pell and campus-based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Allen can receive a loan.

Chavo is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Sarven Technical Institute on January 11. The second payment period begins on May 17. Chavo isn't eligible for aid when he first starts classes at Sarven. However, when he becomes eligible after June 4, Sarven can disburse campus-based funds to Chavo retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Stafford loan for the current enrollment period, which does include the payment period that began in January.

eligible by meeting the requirements for citizenship, valid Social Security Number (SSN), or Selective Service registration.

Losing eligibility

Usually a student can't receive any disbursements after he loses eligibility. If you learn that a student is or will be ineligible, you must not disburse any aid to him on or after the date of ineligibility unless he qualifies for a late disbursement.

Eligibility and SAP

A student who loses FSA eligibility because she is not meeting your school's satisfactory academic progress standards will regain eligibility when you determine that she is again meeting the standards. She may also regain eligibility by successfully appealing a determination that she wasn't making satisfactory progress. You must document each case.

A student may be paid Pell and campus-based funds for the payment period in which he resumes satisfactory academic progress. For Stafford and PLUS loans, he regains eligibility for the entire period of enrollment (usually an academic year) in which he again meets SAP standards unless school policy provides for reinstatement of eligibility at a later point.

Losing eligibility example

George is a student at Guerrero University. After the start of the fall term, he defaults on a Stafford loan that he received at a prior school. Guerrero gave George his first Direct subsidized loan disbursement at the beginning of the semester in September and was going to disburse a Perkins loan to him in October. Because George's loan went into default at the end of September, Guerrero can't disburse the Perkins loan for that term. George doesn't have to pay back immediately the first disbursement of his Direct subsidized loan, but he can't receive any more disbursements for that loan or for any other Title IV aid until he makes repayment arrangements to remove the default status.

Example: satisfactory academic progress appeal

Steven is attending Brust Conservatory, and at the end of his second year, Brust determines that he isn't making satisfactory progress. He files an appeal in the fall, after he realizes he won't receive aid for the fall term. Brust finally approves his appeal in January, after the fall term is over. Steven can't receive Pell or campus-based funds for the fall term but can receive aid for the winter term. Steven can also receive a Direct loan or FFEL for the entire academic year because that is his period of enrollment.

Eligibility Requirements for Specific Educational Programs

See *Volume 2: School Eligibility and Operations* for more information on each of the topics below.

Correspondence courses

A correspondence course is one for which the school provides instructional materials and exams for students who don't physically attend classes at the school. If the course uses video cassettes or discs, it is a correspondence course unless it provides the same video instruction to students who physically attend the school that year. A telecommunications course is considered a correspondence course if the sum of the telecommunications and correspondence courses offered by the school is 50 percent or more than the total number of courses. Finally, if a course is part correspondence and part residential training, it is considered a correspondence course.

A student enrolled in a correspondence course can only receive FSA funds if the course is part of a program that leads to an associate's, bachelor's, or graduate degree; if the program leads to a certificate, the student is not eligible for aid for that course. There are also restrictions regarding cost of attendance for correspondence courses; see Chapter 7 for more information.

HEA Sec. 484(k), 34 CFR 600.2, 34 CFR 668.38

Telecommunications courses

A telecommunications course is one offered principally through television or audio or computer transmission. This includes open broadcast, closed circuit, cable, microwave, satellite, and audio or computer conferencing. It also includes courses delivered on video cassette or disc as long as the courses are also offered that year to students who physically attend the school. If a course does not qualify as a telecommunications course then it is considered a correspondence course.

A student can receive FSA funds for a telecommunications course if it is part of a program that leads to a certificate for a program of one year or longer, or to an associate's, bachelor's, or graduate degree.

HEA Sec. 484(l), 34 CFR 600.2, 34 CFR 668.38

Students studying abroad

A student in a study-abroad program is eligible for aid if the program is approved for academic credit for the student's degree by the eligible home school at which the student is enrolled as a regular student. The home school must have a contractual agreement with the foreign school or a single written arrangement with a study-abroad organization to represent an agreement between the home school and one or more foreign schools.

HEA Sec. 484(o), 34 CFR 668.39